

Message Text

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ORIGIN ARA-20

INFO OCT-01 ISO-00 SS-20 IO-14 AID-20 STR-08 EB-11 COME-00

FRB-02 TRSE-00 OMB-01 XMB-07 NSC-07 CIAE-00 INR-10

NSAE-00 RSC-01 L-03 /125 R

DRAFTED BY ARA/ECP:SFOUTS:MB
APPROVED BY ARA/ECP:GROlsen
EB/IFDCRGELBARD (DRAFT)
ARA-LA/MRSD:JCROTHBERG (DRAFT)
TREASURY:BZINMAN (SUBSTANCE)
ARA-LA/APU:PFAUCETT (SUBSTANCE)
US/IDB:KGUENTHER (SUBSTANCE)
----- 068547

P R 252227Z APR 74
FM SECSTATE WASHDC
TO AMEMBASSY BRIDGETOWN PRIORITY
AMEMBASSY BUENOS AIRES
AMEMBASSY CARACAS
AMEMBASSY GEORGETOWN
AMEMBASSY GUATEMALA
AMEMBASSY LIMA
AMEMBASSY MONTEVIDEO
INFO AMEMBASSY ASUNCION
AMEMBASSY BRASILIA
AMEMBASSY BOGOTA
AMEMBASSY KINGSTON
AMEMBASSY LA PAZ
AMEMBASSY MANAGUA
AMEMBASSY MEXICO
AMEMBASSY NASSAU
AMEMBASSY PANAMA
AMEMBASSY PORT AU PRINCE
AMEMBASSY PORT OF SPAIN
AMEMBASSY QUITO
AMEMBASSY SAN JOSE
AMEMBASSY SAN SALVADOR
AMEMBASSY SANTIAGO
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AMEMBASSY SANTO DOMINGO

AMEMBASSY TEGUCIGALPA
USCINCSO

C O N F I D E N T I A L STATE 085043

E.O. 11652: GDS
TAGS: EGEN, XM
SUBJECT: EVALUATION OF INTAL PERFORMANCE

1. RECENT IDB COMPTROLLER'S GROUP REVIEW OF INSTITUTE FOR LATIN AMERICAN INTEGRATION (INTAL) HAS RAISED QUESTIONS REGARDING THE USEFULNESS OF INTAL'S PROGRAM TO THE CURRENT LATIN AMERICAN INTEGRATION EFFORTS. IN ADDITION, U.S. DIRECTOR AND ALTERNATE DIRECTOR TO IDB HAVE VISITED INTAL HEADQUARTERS AND REPORT SERIOUS MANAGENENT PROBLEMS AND LACK OF DIRECTION OF STAFF. IT APPEARS THAT CANADA AND BRAZIL SHARE OUR CONCERNS.

2. WE ARE THEREFORE CONSIDERING (A) WHETHER IDB FUND FOR SPECIAL OPERATIONS (FSO) FUNDING FOR INTAL'S BASIC BUDGET SHOULD BE TERMINATED ON JANUARY 1, 1977, TWO YEARS EARLIER THAN SPECIFIED IN A 1972 BOARD OF DIRECTORS RESOLUTION, AND (B) WHETHER THE U.S. CONTRIBUTION TO INTAL, THROUGH THE SOCIAL PROGRESS TRUST FUND (SPTF) ADMINISTERED BY THE IDB, SHOULD ALSO BE TERMINATED WHEN IT COMES UP FOR REVIEW ON JANUARY 1, 1976. FSO AND ARGENTINA EACH FUND HALF OF INTAL'S BASIC (ADMINISTRATIVE) BUDGET; SPTF PROVIDES NEARLY HALF THE ANNUAL OPERATIONS BUDGET FOR PROJECTS AND PROGRAMS, WITH THE LA GOVERNMENTS' VOLUNTARY CONTRIBUTIONS PROVIDING THE REMAINDER.

3. DEPARTMENT HAD UNDERSTOOD THAT ALBERTO CALVO, DIRECTOR

OF INTAL THE LAST HALF YEAR, AND FORMERLY WITH THE IDB'S INTEGRATION ADVISOR'S OFFICE, HAS TAKEN STEPS TO REVITALIZE INTAL. HE HAS REPORTEDLY OBTAINED PREVIOUSLY PLEDGED FINANCIAL SUPPORT AND COMMITMENTS FOR FUTURE SUPPORT FROM VENEZUELA, AND IS SEEKING IMPROVEMENTS IN PROGRAMS OF ADVISORY SERVICES AND TECHNICAL ASSISTANCE TO AID IN MAKING INTAL MORE VISIBLE AND SPECIFICALLY USEFUL TO IN-

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TEGRATION BODIES AND LATIN AMERICAN GOVERNMENTS. US IDB DIRECTORS INDICATE THAT, DESPITE CALVO'S GOOD REPUTATION, FAMILY PROBLEMS HAVE KEPT HIM AWAY FROM POST, ACCENTUATING MANAGERIAL PROBLEM IN ABSENCE DEPUTY INTAL DIRECTOR.

4. FOR ACTION ADDRESSEES: DEPARTMENT WOULD LIKE INFORMATION ON UTILIZATION OF INTAL SERVICES BY REGIONAL INTEGRATION BODY AT YOUR POST AND, PARTICULARLY, ANY INCREASE IN

CONTACTS WITH INTAL OR USE OF ITS SERVICES SINCE THE BEGINNING OF CALVO'S TERM. DEPARTMENT WOULD ALSO APPRECIATE ANY EVALUATION POST COULD MAKE ON LIKELIHOOD OF INTAL OBTAINING EITHER ALTERNATE FUNDING (IF PRESENT FUNDING IS REDUCED) OR CONTRACTS FOR SERVICES FROM INTEGRATION BODIES, HOST COUNTRY GOVERNMENT, OR OTHER SOURCES, INCLUDING BUSINESS ORGANIZATIONS. HOWEVER, POST SHOULD NOT RPT NOT MAKE DIRECT INQUIRIES TO INTEGRATION BODIES OR HOST COUNTRY GOVERNMENTS AT THIS TIME, OR INDICATE USG CONCERNS CITED PARA 2 ABOVE.

5. FOR BUENOS AIRES; ANY FURTHER INFORMATION ON NEW INITIATIVES TAKEN BY INTAL UNDER CALVO'S LEADERSHIP WOULD BE HELPFUL IN RESPONDING TO U.S. EXECUTIVE DIRECTOR'S SUGGESTIONS.

6. FOR INFO POSTS:DEPARTMENT WOULD WELCOME ANY INFORMATION ON ON-GOING OR PLANNED UTILIZATION OF INTAL SERVICES BY GOVERNMENT OR OTHER GROUPS. INFORMATION ON LIKELY FUNDING FOR INTAL, AS OUTLINED IN PAR. 4 WOULD ALSO BE APPRECIATED.

7. REPLIES SHOULD BE MADE ASAP, BUT NO LATER THAN MAY 5, 1974, IN ORDER THAT U.S. EXECUTIVE DIRECTOR MAY USE REPLIES IN IDB BOARD OF EXECUTIVE DIRECTORS REVIEW OF THIS ITEM. KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ORGANIZATION & MANAGEMENT
Control Number: n/a
Copy: SINGLE
Draft Date: 25 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE085043
Document Source: CORE
Document Unique ID: 00
Drafter: SFOUTS:MB
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740098-0739
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740413/aaaaalgi.tel
Line Count: 141
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 04 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 SEP 2002 by shawdg>; APPROVED <06 FEB 2003 by GolinoFR>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EVALUATION OF INTAL PERFORMANCE
TAGS: EGEN, XM, IDB, INTAL
To: BRIDGETOWN MULTIPLE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005